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UNITED STATES DEPARTMENT OF AGRICULTURE
War Food Administration

Reserve

(Material for presentation to the Special Committee of the House Committee on Agriculture on Post-War Farm Programs - Hearings on December 4, 1944)

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FOREIGN COTTON PRODUCTION

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In response to the invitation of the Committee I shall try to present as briefly as possible a summary of such information as we have pertaining to the production of foreign cotton. My comments will be based largely upon the observations I have made since 1930. As an employee of the Department of Agriculture I have studied the production of cotton in the leading cotton countries of the world. I have spent considerable time in several of them and have reported my findings regarding their ability to grow cotton to the Department. A number of these reports have been published from time to time.

Of the more than 50 countries that produce cotton India, Russia, China, Egypt and Brazil produce from 85 to 90 percent of the total foreign crop. The quantity and quality as well as the production outlook has a direct bearing upon the sale of United States cotton abroad.

India is the largest foreign cotton growing country. In recent years the crop has fluctuated between 3-1/2 and 5-1/2 million bales. Most of it is of the Asiatic species with a staple of 7/8 inch and less. Prior to the present war exports were largely to Japan and the United Kingdom.

The yields of approximately one hundred pounds per acre reflects to some degree the poor soil, low yielding varieties, insect damage and primitive culture practices common throughout India.

India is about 1/3 the size of the United States with about three times our population. Because most of the culturable area is required for food production, there is comparatively little opportunity to plant large areas to non-food crops. The rainfall conditions are such that over most of the country only one crop a year can be grown. Although irrigation is becoming more and more important, it is not expected that it will increase fast enough to enable the Indian farmer to grow a food supply and at the same time expand the area of non-food crops, such as cotton. Based on present yields an increase of a million bales of cotton per year would require something like an additional 5 to 6 million acres of land. Under such conditions it is doubtful if the Indian farmer will attempt to produce more than 5 to 6 million bales.

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The fact that we do not expect a large expansion of cotton acreage does not mean that Indian cotton does not and will not continue to compete with our cotton. The government has been successful in the development and expansion of irrigation and the breeding of higher yielding and longer staple varieties, as well as improving culture practices. The fact that progress has been made in this direction suggests the competition we may expect in the future. As mentioned, a great deal of the Indian crop is of the native short staple varieties grown under rainfall conditions. With the expansion of irrigation the production of American Upland varieties will increase. This will increase both the yield and staple length without an increase in cotton acreage.

The Soviet Union is perhaps the second most important cotton growing country but like China there are very little detail data available. Annual production in the Soviet Union has been estimated at from 2-1/2 to 4-1/2 million bales in recent years. Most of this cotton is grown in Asia and to a large extent under irrigation, although some production is in areas where the crop is dependent upon rainfall. So far as is known no American Agricultural experts have visited the chief cotton growing areas of the Soviet Union. The production of cotton is regulated by a government program or policy. The policy is to increase and extend production. What the future policy may be is a matter of speculation, but it seems reasonable that the government will make every effort to produce enough cotton to supply domestic requirements. Normally the Soviet Union is not a cotton exporting nation, but some Russian cotton has been sold on world markets.

Prior to the outbreak of Chinese-Japanese war in 1937 China was the third largest foreign cotton growing country. It is known that there are large areas throughout central and north China where cotton is being produced or can be produced. The increase prior to the outbreak of the war was largely due to the demand of domestic mills, the efforts of the Chinese government in stimulating production, and to a domestic tariff on raw cotton. Before the war it appeared that China might become self-sufficient as far as mill requirements were concerned but under conditions that are likely to prevail at the end of the war it is extremely difficult to forecast the situation or to be very definite about the future of China.

The cultivated area of Egypt is definitely limited to the Delta and the valley of the Nile. In this area of some 8 million acres, approximately 15 million people live. The system of perennial irrigation, the mild climate, productive soil and the industry of the people make it possible to grow some kind of a crop continuously throughout the year. Prior to the present war Egypt produced from 1-1/2 million to a little more than 2 million bales annually. Since the war acreage has been reduced approximately 50 percent, but this is a temporary measure and as soon as the war is over cotton acreage will undoubtedly increase and within a few years will again be normal. Due to the limited area and the demand for food

crops, it is not likely that Egypt will in the near future produce much in excess of 2 million bales annually.

The quality of the Egyptian cotton places it at the top of the list of commercial cotton. It is a long staple cotton ranging from 1-1/8 inch up to more than 1-1/2 inch in length. It is well known in the spinning centers of Britain and Europe. It competes with the longer staples of the United States in markets throughout the world.

Up until about 10 years ago Brazil was classed as a minor cotton growing country but in the last 15 years Brazil and especially southern Brazil has become one of the chief cotton growing areas of the world. There are two cotton growing belts of Brazil. Northeast Brazil is the old area while southern Brazil is the new and spectacular area. From the standpoint of U. S. grown cotton the State of Sao Paulo appears to be the most competitive area in the world. This State and the area of the bordering States are producing more than 2 million bales of what is, with the possible exception of Mexican cotton, the most nearly identical with United States cotton of any cotton in the world. The developments that have occurred in this area are the results of definite plans on the part of well trained government officials and private interests. The soil is capable of producing good crops and the varieties grown are in many respects equal to, and some respects superior to some of our varieties. For example the staple is so uniform that many handlers of Sao Paulo cotton only sample about one bale in 10 to determine its staple length. For practical purposes, the whole area is a one variety community. The gins, most of which are of American origin, are new and modern. The distribution of seed by the State, the supervision of the gins, along with the state classification services have been important factors in the production of uniform cotton throughout the State. This cotton has been and is being sold on world markets by both Brazilian and foreign merchants. Several of the American merchants are also engaged in cotton merchandising in this country.

In southern Brazil the potential cotton area is as large as the combined area of Texas, Oklahoma, Arkansas, and Louisiana. Much of it is undeveloped and unsettled. The expansion that has occurred has been in the districts where agriculture is relatively well established, but as the population increases or moves to the new areas we may expect considerable expansion of cotton production in southern Brazil.

In northern Argentina is an area as large as Oklahoma where cotton production in the last 15 years has become an established enterprise. This cotton is also an American Upland origin and as it is sold on world markets it competes with United States grown cotton. Conditions under which it is grown are similar to those prevailing in the western part of our cotton belt. It is a prairie rising in elevation from east to west.

The policy of the government of Argentina is to expand cotton production. The encouragement of settlers, the development of roads, gins, and experiment stations along with the distribution of improved seed are all a part of the government policy. In the last 15 years production in the Argentine has increased from about 150,000 bales to more than 500,000 bales. Possibilities of increasing production are limited by the man-power situation. As the population increases production will increase and with the present system of State supervision and control of the industry we may expect the quality of the crop to improve as well.

Since about 1900 cotton production throughout central Africa has increased steadily. It has been encouraged by organizations of both a government and private nature. The British, French, Belgians, and Portuguese have through government and semi-government organizations fostered the expansion of the cotton area in Uganda, Tanganyika, the Anglo-Egyptian Sudan, the Belgian Congo, French Equatorial Africa, Nigeria, and Mozambique. From practically nothing in 1900 this area has increased until at the outbreak of the present war its total production was about a million bales. Practically all of this cotton is of American Upland varieties and is produced by natives who only a few years ago were classed as savages. They are still very primitive although in many parts of the area they use up-to-date ginning machinery, and plant improved varieties of cotton. This cotton is sold to spinners who a few years ago used only American cotton. The outlook for future expansion in these areas is dependent upon government policy and the education and development of the natives. The methods used by the governments to organize native production are unique. A fixed price to the natives regardless of the world prices has been an important factor. The work of missionaries and commercial traders in stimulating the desires of the natives for the hundreds of commodities used by civilized men, have also caused them to grow cotton. A large part of the government revenue is collected from an export tax on cotton. Government officials who realize the place of this revenue in the budget encourage the spread and expansion of cotton growing.

There are a number of other countries where cotton is being produced, some of which have possibilities for expansion or further development, but on the whole the areas and countries mentioned are the most competitive with the United States cotton belt. Practically all of the expanded production that has occurred in the last 25 years has been of the types and qualities that compete directly with American cotton in the spinning centers throughout the world.